

From: Bev Gibbs, Financial Advisor, KEIFCA  
To: KEIFCA Committee Meeting, 22nd May 2018.  
Subject: **2017-18 Final Budget Monitoring Outturn Report and Annual Return**

Classification: Unrestricted

**Summary:** This report gives the financial position for the Authority as at 31<sup>st</sup> March 2018. It includes the revenue outturn for the year, the balance sheet, the capital spend for the year and the position regarding Reserves and Balances if this report's recommendations are approved.

It also contains the Annual Return for the year which is to be reviewed by external auditors, PKF Littlejohn.

**Recommendation(s):**

1. The Authority is asked to review and approve the Final Outturn for the year together with the associated financial statements and to approve the movement of the underspend of £64,106.78, with £53,465.78 moving to the General Reserve and an additional £10,641.00 to the Renewals Reserve.
2. The Authority is also asked to review and approve the Annual Return and Governance Statement for submission to the external auditors, PKF Littlejohn.

**1. Introduction**

- 1.1. This report shows the final revenue outturn for the 2017-18 financial year. As well as providing a report showing the outturn against budget with variances and explanations of the £64,106.78 underspend at Appendix 1, there are also other financial statements for the year.

- 1.2. Appendix 2 shows the capital expenditure and funding of that expenditure for the year
- 1.3. Appendix 3 shows the balance sheet as at 31<sup>st</sup> March 2018.
- 1.4. Appendix 4 shows the balances on the reserves, assuming recommendations are accepted and the utilisation of those balances over the next year.
- 1.5. Appendix 5 is the Annual Return that will be submitted to the external auditors, PKF Littlejohn for their review.

## 2. Revenue Outturn 2017-18

2.1 The Revenue Outturn for the year is an underspend of £64,107. This is an increase of £33,333 from the January forecast underspend of £30,774. The movement is due to an increase in the fuel savings on Tamesis, further savings on salary costs and the lack of expenditure on other support costs.

2.2 The main variances of spend against budget are detailed in the table below and can be seen in detail in Appendix 1.

<b>Budget Heading</b>	<b>Reason for Variation</b>	<b>Amount £</b>
Kent, Essex and Vessels – salaries	Staff changes and delay in recruiting.	-9,343
Ramsgate office rental and service charges	Increase in rent for Ramsgate office	794
Nerissa – specialist fees	Reports relating to Nerissa issues	4,500
Vehicle Repairs & Maintenance	Reduced due to new vehicle	-3,199
Legal Fees	Forecast reduced as can accurately forecast fees for remainder of the year	-7,080
Authority costs – advertising	Reduction in number of byelaws to be advertised	-16,785
Research Fund	Increase in Research expenditure	12,312
Training	Additional training needed for new staff and to provide for individual needs	10,066
GIS	Training in GIS for staff due to staff leaving	850
Licences and fees	Increased cockle income	-27,617

	due to opening of outside area	
Tamesis – Fuel	Fuel savings.	-8,220
Interest & Investment Income	Interest higher than anticipated	-2,798
Authority Costs - Support Charges	Other support services not required in year.	-14,311
Other items	Other minor adjustments	-3,276
Total		-£64,107

2.3 It is recommended that £10,641 of the underspend of £64,106.78 is transferred to the Authority's Renewals Reserve, with the remaining £53,465.78 being transferred to the General Reserve. The General Reserve can be used to support the operational budget in future years and is more flexible than transferring it to the Renewals Reserve or one of the Specific Reserves

### **3. Capital Expenditure and Financing**

3.1 Appendix 2 shows the capital expenditure for the Authority for the year and where the financing for that expenditure has come from. £18,632 was spent on two quad bikes and a trailer. The authority has also purchased a Toyota Hilux for £25,044. The oldest Toyota Hilux was sold with proceeds totalling £7,750. A further £35,926 was needed from the Renewals Reserve to fund the capital purchases.

### **4. KEIFCA Balance Sheet as at 31<sup>st</sup> March 2018**

4.1 Appendix 3 shows the Authority's balance sheet as at 31<sup>st</sup> March 2018.

There has been an increase in cash due to the transferring of the debtor with Kent County Council in 2017-18 to the Investment Account. The General Reserve has increased by the surplus of £53,465.78 in anticipation of the Committee's approval of this report.

The balance sheet continues to show a healthy position for the Authority.

### **5. Balances on Reserves and their Utilisation for 2018-19**

5.1 Appendix 4 shows the position of the reserves for the Authority as at 31<sup>st</sup> March 2018 if the recommendation of transferring £53,465.78 to the General Reserve and the transfer of an additional £10,641 to the Renewals Reserve is approved. The budgeted amount of £89,359 has been transferred to the Renewals Reserve with capital expenditure of £35,926 drawn down to fund the purchase of the new Toyota Hilux and two quad bikes and trailer. There was no drawdown from the General or Specific Reserves during the year as this was not needed.

The utilisation of the reserves for the coming year are shown as in the budget for 2018-19. This may need to be reviewed dependant on the need for expenditure on Nerissa. The 2018-19 budget has £61,533 of the operational cost of Nerissa funded from the General Reserve. It remains to be seen if the improvements made to Nerissa will mitigate the need for such high levels of support from reserves.

## **6. Annual Return and Governance Statement**

6.1 Appendix 5 is the Annual Return and Governance Statement for the Authority. This will be sent to the external auditors for their review. It contains all the information contained in the Final Monitoring Outturn Report and the Balance Sheet but is presented in a different format. This return has already been reviewed by Kent County Council's Internal Audit Team and is now ready for the Authority's review and approval.

### **7. Recommendation:**

7.1 The Authority is asked to review the final revenue outturn and associated financial statements for the year 2017-18 and to approve the transferring of the underspend of £64,106.78 with £53,465.78 going to the General Reserve and £10,641 to the Renewals Reserve.

7.2 The Authority is also asked to review and approve the Annual Return and Governance Statement for its submission to PKF Littlejohn

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